

Assembly Bill No. 1326

CHAPTER 116

An act to amend Section 20221 of the Public Contract Code and to amend Section 130232 of the Public Utilities Code, relating to transportation.

[Approved by Governor July 20, 2007. Filed with
Secretary of State July 20, 2007.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1326, Houston. San Francisco Bay Area Rapid Transit District: Los Angeles County Metropolitan Transportation Authority.

Existing law establishes various regional transportation authorities, including the San Francisco Bay Area Rapid Transit District (BART) and the Los Angeles County Metropolitan Transportation Authority (MTA). Existing law requires that, when the expenditure required for a purchase of supplies, equipment, and materials by BART or MTA exceeds \$100,000, adjusted annually as provided under federal law, the purchase shall be by contract let to the lowest responsible bidder or to the responsible bidder who submits a proposal that provides the best value, as defined, except as specified. Existing law also requires that, when an expected expenditure required by BART or MTA exceeds \$2,500, adjusted annually as provided under federal law, but does not exceed a specified amount, the district or commission shall obtain a minimum of 3 quotations that permit price and term to be compared, except as specified.

This bill would delete the provisions requiring the above maximum and minimum expenditure amounts to be adjusted annually as provided under federal law.

The people of the State of California do enact as follows:

SECTION 1. Section 20221 of the Public Contract Code is amended to read:

20221. (a) The purchase of all supplies, equipment, and materials when the expenditure required exceeds one hundred thousand dollars (\$100,000) shall be by contract let to the lowest responsible bidder or, in the district's discretion, to the responsible bidder who submitted a proposal that provides the best value to the district on the basis of the factors identified in the solicitation. "Best value" means the overall combination of quality, price, and other elements of a proposal that, when considered together, provide the greatest overall benefit in response to requirements described in the solicitation documents. The construction of facilities and works when the expenditure required exceeds ten thousand dollars (\$10,000) shall be by

contract let to the lowest responsible bidder. Notice requesting bids shall be published at least once in a newspaper of general circulation. This publication shall be made at least 10 days before the bids are received. The board may reject any and all bids and readvertise in its discretion.

(b) Whenever the expected procurement required exceeds two thousand five hundred dollars (\$2,500) and, in the case of the construction of facilities and works, does not exceed ten thousand dollars (\$10,000) or, in the case of the purchase of supplies, equipment, or materials, does not exceed one hundred thousand dollars (\$100,000), the district shall obtain a minimum of three quotations, either written or oral, that permit prices and terms to be compared.

(c) Where the expenditure required by the bid price is less than one hundred thousand dollars (\$100,000), the general manager may act for the board. When acting pursuant to this subdivision, the general manager shall, in each instance, promptly notify the board of the action taken.

SEC. 2. Section 130232 of the Public Utilities Code is amended to read:

130232. (a) Except as provided in subdivision (f), purchase of all supplies, equipment, and materials, and the construction of all facilities and works, when the expenditure required exceeds twenty-five thousand dollars (\$25,000), shall be by contract let to the lowest responsible bidder. Notice requesting bids shall be published at least once in a newspaper of general circulation. The publication shall be made at least 10 days before the date for the receipt of the bids. The commission, at its discretion, may reject any and all bids and readvertise.

(b) Except as provided for in subdivision (f), whenever the expected expenditure required exceeds one thousand dollars (\$1,000), but not twenty-five thousand dollars (\$25,000), the commission shall obtain a minimum of three quotations, either written or oral, that permit prices and terms to be compared.

(c) Where the expenditure required by the bid price is less than fifty thousand dollars (\$50,000), the executive director may act for the commission.

(d) All bids for construction work submitted pursuant to this section shall be presented under sealed cover and shall be accompanied by one of the following forms of bidder's security:

(1) Cash.

(2) A cashier's check made payable to the commission.

(3) A certified check made payable to the commission.

(4) A bidder's bond executed by an admitted surety insurer, made payable to the commission.

(e) Upon an award to the lowest bidder, the security of an unsuccessful bidder shall be returned in a reasonable period of time, but in no event shall that security be held by the commission beyond 60 days from the date that the award was made.

(f) The following provisions apply only to the Los Angeles County Metropolitan Transportation Authority:

(1) The contract shall be let to the lowest responsible bidder or, in the commission's discretion, to the responsible bidder who submitted a proposal that provides the best value to the commission on the basis of the factors identified in the solicitation when the purchase price of all supplies, equipment, and materials exceeds one hundred thousand dollars (\$100,000). "Best value" means the overall combination of quality, price, and other elements of a proposal that, when considered together, provide the greatest overall benefit in response to requirements described in the solicitation documents. The contract shall be let to the lowest responsible bidder when the purchase price of the construction of all facilities exceeds twenty-five thousand dollars (\$25,000).

(2) The commission shall obtain a minimum of three quotations, either written or oral, that permit prices and terms to be compared whenever the expected expenditure required exceeds two thousand five hundred dollars (\$2,500), but not one hundred thousand dollars (\$100,000).